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C O N F I D E N T I A L SECTION 01 OF 02 OSLO 001344

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TAGS: PREF PREL EAID NATO SU NO AF SL IZ

SUBJECT: NORWEGIAN DEVELOPMENT ASSISTANCE IN SUDAN, IRAQ
AND AFGHANISTAN AND VIEWS ON SRI LANKA

REF: A. SECSTATE 179828

¶B. OSLO 1323 (NOTAL)

Summary

¶1. (C) In an October 30 tour d'horizon, Norwegian Minister of Development Assistance Erik Solheim reviewed Norway's approach to Sudan, Afghanistan, Iraq and Sri Lanka. He cited unhappiness with the multilateral aid mechanisms Norway has been using in the Sudan, saying Norway may have to switch to aid through bilateral and NGO projects. On Afghanistan, he underlined his view that political stability must come first and that Norwegian aid will be used to that end. With regard to Iraq, Solheim pointed out the obstacles to Norway's assistance but promised to consider participating in or observing the Compact process. Finally, Solheim suggested that no progress in the Sri Lankan talks is likely until the fighting dies down again. End Summary.

Sudan

¶2. (C) On October 30, the Ambassador met with Norwegian Minister of Development Erik Solheim to review the GON's approach to development assistance and thoughts on aid to specific countries. The Ambassador conveyed ref a points on funding to Sudan. Solheim responded that Sudan is Norway's top recipient of aid, surpassing Palestine and others. Norway is however troubled by the inefficiency of the aid mechanisms it has been using, particularly the World Bank Multi-Donor Trust Fund. Over the past two years, the World Bank and UNDP have failed to coordinate and ensure the aid flows properly, engaging in "ridiculous" legal disputes. In light of this, Norway is considering pulling funding from multilateral entities and moving it to NGOs and bilateral projects. A decision on this matter may be taken within several weeks. Solheim will be traveling to Sudan November 13 to assess the situation.

¶3. (C) Looking at the challenge in the Sudan more broadly, Solheim said that the key goal must be to ensure peace. Only later can issues such as justice be addressed. He suggested that the Sudanese government's problems with allowing in a UN force stem from their fear that the UN force will seek to arrest them and bring them to international justice. This represents a total misreading of the UN mandate but nonetheless remains a real concern to the government. Solheim also noted that his government has been talking to US Special Envoy on Sudan Natsios and that the possibility of Norwegian troops somehow serving with the AU troops has been raised. He said although this is a surprising idea, the GON has not yet closed the door on it. (Note: After this meeting, we were requested to assist with arranging a telephone call between Solheim and Natsios in preparation for the November 13 trip. We are working to coordinate this with

the respective offices.)

Afghanistan

¶4. (C) The Ambassador reviewed the GON's recent decision not to provide additional troops to ISAF, choosing instead to focus on development assistance in Afghanistan. Solheim responded that in Afghanistan the political situation is key.

Without political stability, military force and development assistance will have little meaning. Therefore, the GON wants to use its assistance to support political structures that can bring stability. Solheim noted that this may result initially in an Afghanistan that is not to his taste - ie an Afghanistan where women's rights for example are not fully permitted. Nonetheless, a start must be made with a political situation that is acceptable to the culture. For that reason, Norway plans to throw its development assistance behind efforts to produce stability, even in a less than ideal state. He noted that the GON now accepts that it is permissible to provide assistance in furtherance of political aims. In this vein, Norway will be providing development assistance particularly in areas covered by its PRT. Solheim himself will be traveling to Afghanistan with the Minister for Defense - a reflection of the desire to coordinate aid with military efforts. (See ref b for a discussion of MFA Afghan Coordinator Eide's views on international coordination and GON assistance in Afghanistan.) Solheim stressed that the Norwegian aid to Afghanistan will increase per the GON's recent promise (see ref b).

Iraq

¶5. (C) Turning to Iraq, the Ambassador pointed out that for the same reasons assistance is needed to shore up political

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progress in Afghanistan, Norway should consider contributing in Iraq. He noted that Norway's oil expertise would be especially welcome in Iraq. Solheim explained clearly that Iraq continues to be a very difficult place for Norway to put aid. Only if there were some political trigger to signal change, could Norway to consider providing more or different assistance in Iraq. (Comment: the recently established Iraqi Ambassador to Norway could theoretically provide such a trigger by being able to appeal directly to the Norwegian government and public on behalf of the Iraqi people.)

¶6. (C) The Ambassador urged Solheim to consider GON participation in the Iraq Compact process so they would better understand Iraq's needs and consider whether Norway has a role to play in the matter. Solheim agreed to consider participating in or observing the process.

Sri Lanka

¶7. (C) In discussing the disappointing outcome of the most recent Sri Lankan talks, Solheim vented his frustration with both sides. He felt there is little hope for progress until the fighting dies down again, something he expects to happen as the Sri Lankan government faces more setbacks. That said, he fears the leadership of neither side gets much objective news and this presents a serious obstacle to realistic talks.

Comment

¶8. (C) Norway's development assistance is being used in many cases, with the notable exception so far of Iraq, in parallel with our efforts. The increasing use of development assistance by Norway to achieve political goals reinforces many of our transformational diplomacy approaches. A meeting October 31 with the MFA's Peace and Reconciliation Office being reported septel furthers our view that we have much to gain from well coordinated approaches with Norway. End

Comment.

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